

Article IX § 9

STATE CONSTITUTION (EXCERPT) CONSTITUTION OF MICHIGAN OF 1963

§ 9 Use of specific taxes on fuels for transportation purposes; authorization of indebtedness and issuance of obligations.

Sec. 9.

All specific taxes, except general sales and use taxes and regulatory fees, imposed directly or indirectly on fuels sold or used to propel motor vehicles upon highways and to propel aircraft and on registered motor vehicles and aircraft shall, after the payment of necessary collection expenses, be used exclusively for transportation purposes as set forth in this section.

Not less than 90 percent of the specific taxes, except general sales and use taxes and regulatory fees, imposed directly or indirectly on fuels sold or used to propel motor vehicles upon highways and on registered motor vehicles shall, after the payment of necessary collection expenses, be used exclusively for the transportation purposes of planning, administering, constructing, reconstructing, financing, and maintaining state, county, city, and village roads, streets, and bridges designed primarily for the use of motor vehicles using tires, and reasonable appurtenances to those state, county, city, and village roads, streets, and bridges.

The balance, if any, of the specific taxes, except general sales and use taxes and regulatory fees, imposed directly or indirectly on fuels sold or used to propel motor vehicles upon highways and on registered motor vehicles, after the payment of necessary collection expenses; 100 percent of the specific taxes, except general sales and use taxes and regulatory fees, imposed directly or indirectly on fuels sold or used to propel aircraft and on registered aircraft, after the payment of necessary collection expenses; and not more than 25 percent of the general sales taxes, imposed directly or indirectly on fuels sold to propel motor vehicles upon highways, on the sale of motor vehicles, and on the sale of the parts and accessories of motor vehicles, after the payment of necessary collection expenses; shall be used exclusively for the transportation purposes of comprehensive transportation purposes as defined by law.

The legislature may authorize the incurrence of indebtedness and the issuance of obligations pledging the taxes allocated or authorized to be allocated by this section, which obligations shall not be construed to be evidences of state indebtedness under this constitution.

History: Const. 1963, Art. IX, § 9, Eff. Jan. 1, 1964 ;-- Am. H.J.R. F, approved Nov. 7, 1978, Eff. Dec. 23, 1978

IMPACTS OF IMPLEMENTING THE REDUCED HIGHWAY PROGRAM

MDOT's FY 2010-2014 reduced Highway Program investments would total approximately \$4.2 billion, including pre-construction phases (project scoping, environmental clearance, design, right-of-way acquisition) and construction projects. If implemented, this investment strategy would delay over 375 miles of pavement improvements or over 100 projects, an approximately a 60 percent decrease compared to the current Road Rehabilitation and Reconstruction Program. The number of bridges planned for work within the Five-Year Transportation Program would be reduced by approximately 575 bridge projects, a more than 65 percent decrease compared to the current program. The Safety Program impact will be fewer projects to address fatalities and severe injuries, which impacts MDOT's effort of reaching the goals as outlined in the state Strategic Highway Safety Plan. The reduction in funding to the Roadsides Program would effectively eliminate MDOT's ability to deliver any rest area reconstruction/rehabilitation projects and would seriously impact preservation of the existing system. Approximately 45 miles of non-motorized facilities and 10 miles of roadway streetscape implemented by the Enhancement Program would also be jeopardized.

The Highway Program project list at the back of this document contains highlighted projects that would be impacted (either delayed or removed from the 2010-2014 program) if this strategy were

to be implemented. The following paragraphs provide more detail regarding the impacts of implementing the reduced Highway Program investment strategy by program category.

Pavement Program

Annual investments in the pavement preservation programs (Road Rehabilitation and Reconstruction and Capital Preventive Maintenance) total over \$400 million per year under the fully funded program. That amount is reduced to approximately \$160 million annually from 2011 to 2014, a 60 percent reduction. The impact on the Road Rehabilitation and Reconstruction Program will result in over 100 projects either being delayed within the four-year time period (2011-2014) or removed from this Five-Year Program. In this reduced program, over 375 miles of rehabilitation

or reconstruction repairs will be delayed or removed. The impact on the Capital Preventive Maintenance Program will result in nearly 800 miles of the 1,400 miles of preventive maintenance repairs annually being removed or delayed from the 2011-2014 time frame.

These reductions to the pavement preservation program will substantially impact the progress made in improving system condition. MDOT's asset management approach toward sustaining system condition uses corridor strategies to more efficiently coordinate construction activities. Due to the reductions for the 2011-2014 time period, road conditions are expected to decline from 91 percent good in 2008 to 63 percent good in 2014. The graph depicts the comparison between the current program and the reduced program pavement condition.

Pavement Condition Forecast Comparison Current vs. Reduced Funding Strategies

